CBM blocks in Raniganj coal fields have been awarded by the Government for exploration and production of CBM. While commercial production of CBM in Jharia and Raniganj South is expected to commence in 2007-08, the CBM potential in the Raniganj North and Raniganj East blocks would be known after completion of the exploration and pilot assessment programme.

(b) and (c) The CBM policy formulated by the Government provides for international competitive bidding, allowing for both domestic and foreign companies to compete for blocks on a level playing field.

With respect to engaging foreign companies on a service contract basis or inducting them as partners, the companies signatory to the CBM contracts may do so in accordance with the provisions of the respective contracts.

LIC scam in Voluntary Policy, 1999

*91. SHRIRAJKUMAR DHOOT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that CBI has unearthed a premium scandal in Delhi office of LIC involving misappropriation of funds in five years Voluntary Policy launched in 1999;

(b) if so, the details thereof;

(c) whether any responsibility has been fixed;

(d) if so, the action taken against the culprits; and

(e) the steps taken to streamline the procedures to check fraudulent working in LIC ?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) and (b) LIC has -oported that they do not have any Five Years Voluntary Policy launched in 1999. There, however is a case under investigation by CBI regarding the Salary Saving Scheme (SSS) of Municipal Corporation of Delhi (MCD). LIC has informed that its Branch Office located in Khan Market, New Delhi services the SSS of MCD. As per this Scheme, MCD is required to deduct the premium due from the salary of the employees and remit the same to LIC. In August, 2003, complaints were received from the employees regarding premium not having been adjusted against their policies. On receiving the complaints, an enquiry was instituted by LIC. Enquiry revealed

that monthly premium remittances received from MCD were being partly diverted towards adjustment of fresh proposals and towards renewal premium of other policy-holders. Owing to this diversion of renewal premium, various policies of MCD employees had multiple gaps in their premium payment. LIC appointed another committee to undertake a detailed enquiry into the matter, and this committee submitted its report on 10.9.2004. The matter was referred to the Vigilance Department of LIC which in turn referred it to the Central Vigilance Commission (CVC) on 21.05.2005. Later, the Central Bureau of Investigation (CBI) registered an FIR and raided the Khan Market office of LIC on 28.09.05.The matter is under investigation by CBI. LIC has also initiated disciplinary action against eighteen staff members. The agency of the concerned agents have been terminated.

(c) and (d) Disciplinary proceedings against five agents and eighteen staff members have already been taken as per LIC Agents Regulations/ Staff Regulations.

(e) In order to check such frauds, LIC has put in place a very robust mechanism viz. extensive use of computers and double back up of records.

Declining expenditure on social and infrastructure development

*92. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various State Governments are unable to spend much on social and infrastructure development of their respective state as they are facing acute financial crisis due to heavy loan amount and mismanagement of financial structures;

(b) if so, Government's reaction thereto;

(c) whether Government are considering any structured and transparent approach to lesion the burden of debt on various states so that they can increase their expenditure and investments on infrastructure and social sector;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) to (e) It is a fact that various State Governments have been spending less on the